



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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AUDITOR-CONTROLLER

February 24, 2004

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley *tm*
Auditor-Controller

SUBJECT: **CITY OF NORWALK CONTRACT REVIEW**

We have completed a contract compliance review of City of Norwalk (Norwalk), a CalWORKs Stage 1 Child Care service contractor. The review was conducted as part of the Auditor-Controller's Centralized Contract Monitoring Pilot Project.

Background

The Department of Public Social Services (DPSS) contracts with Norwalk, a private, non-profit, community-based organization that assists parents with child care services and consumer education. Norwalk is located in the Fourth District.

DPSS pays Norwalk a negotiated rate of approximately \$126 per case per month. DPSS also pays Norwalk \$756 for nine-months for outreach services. For Fiscal Year 2002-2003, DPSS paid Norwalk approximately \$134,674.

Purpose/Methodology

The purpose of the review was to determine whether Norwalk provided the services outlined in their Program Statement and County contract. We also evaluated Norwalk's ability to achieve planned service and staffing levels. Our monitoring visit included a review of Norwalk's billing statements, participant case files, time sheets and interviews with Norwalk's staff, program participants and service providers.

Results of Review

Overall, Norwalk is providing the services outlined in its contract. Norwalk maintains documentation to support the services billed to DPSS and employs the appropriate number of staff to perform those services. The program participants interviewed stated that the services they receive from Norwalk met their expectations. In addition, Norwalk is achieving their planned services levels for Fiscal Year 2003-04.

Review of Report

On February 12, 2004, we discussed our report with Norwalk who agreed with our report of no finding.

We thank Norwalk for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1122.

JTM:PM:DC

Attachment

c: David E. Janssen, Chief Administrative Officer
Department of Public Social Services
Bryce Yokomizo, Director
Pearlene Saffold, Chief, Supportive Services Division
Ida L. Rivera, Chief, Contract Management and Monitoring Division
Tak Hamabata, Director of Social Services, City of Norwalk
Violet Varona-Lukens, Executive Officer
Public Information Office
Audit Committee

**CENTRALIZED CONTRACT MONITORING PILOT PROJECT
CalWORKs STAGE 1 CHILD CARE PROGRAM
FISCAL YEAR 2003-2004
CITY OF NORWALK**

BILLED SERVICES

Objective

Determine whether Norwalk provided the services billed in accordance with their contract.

Verification

We selected a sample of 10 participant case files from an average of 131 active participant case files for the months of November and December 2003 and reviewed the documentation to support the services billed and determine if the program participants were eligible to receive services.

Results

No exceptions. Our review of documentation in the 10 sampled case files confirmed that Norwalk provided the appropriate services required by their County contract. In addition, our review of the case files also disclosed that multilingual services were provided to the participants who requested the services and consumer education information was also provided to each program participant.

Recommendation

There are no recommendations for this section.

CLIENT VERIFICATION

Objective

Determine whether the program participants actually received the services that Norwalk billed DPSS.

Verification

We judgmentally selected a sample of 10 program participants and 10 providers to interview to confirm the services Norwalk billed DPSS.

Results

No exceptions. The 10 program participants and 10 providers interviewed stated that the services they received from Norwalk met their expectations. Specifically, the participants stated that Norwalk clearly explained their childcare options and program rights. Norwalk also assisted in certifying eligibility and authorizing payments timely. The providers stated that Norwalk clearly explained the payment process and they are appropriately paid.

Recommendation

There are no recommendations for this section.

STAFFING/CASELOAD LEVELS**Objective**

Determine whether Norwalk actual staffing levels are consistent with proposed staffing levels, as required by the County contract.

Verification

We interviewed 13 program staff and reviewed time sheets to determine whether actual staffing levels were consistent with proposed staffing levels.

Results

No exceptions. Our review of the staffing levels disclosed that Norwalk's current staffing levels of approximately 5.0 FTE individuals is approximately 65% more than Norwalk's budgeted staffing levels of approximately 3.0 FTE individuals used in their negotiated rate calculation. The increase in the staffing levels can be attributed to an increase in caseload of approximately 40%, as noted below.

Recommendation

There are no recommendations for this section.

SERVICE LEVELS**Objectives**

Determine whether Norwalk reported services for November and December 2003 did not significantly vary from planned services levels.

Verification

We reviewed invoices for November and December 2003 and compared to Norwalk's proposed services levels for the same period.

Results

No exceptions. For November and December 2003, Norwalk's service level averaged approximately 131 participant cases. This represents an increase of approximately 40% from the estimated participant service levels (94 participant cases). The increase is due to an increase in the number of cases referred to the contractor by DPSS.

Recommendation

There are no recommendations for this section.